

**AGENDA
ITEM
NO. 4**

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION

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KATE McKENNA, AICP
Executive Officer

DATE: January 8, 2007

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, LAFCO Executive Officer

SUBJECT: CONSIDER A COMPREHENSIVE SPHERE OF INFLUENCE UPDATE SUBMITTED BY THE CITY OF GREENFIELD. THIS UPDATE WOULD AMEND THE CITY'S SPHERE OF INFLUENCE TO EXPAND IT BY APPROXIMATELY 1,139 ACRES. THE EXISTING CITY CONTAINS 1,126 ACRES AND THE EXISTING SPHERE OF INFLUENCE OUTSIDE THE CITY LIMITS IS 271 ACRES. THE COMPREHENSIVE SPHERE OF INFLUENCE UPDATE WOULD EXPAND THE AREA AS FAR NORTH AS THORNE AVENUE AND THE PROPOSED YANKS AIR MUSEUM, AS FAR SOUTH AS ESPINOSA ROAD, AS FAR EAST AS 2ND STREET, AND AS FAR WEST AS 400 FEET WEST OF 13TH STREET. (LAFCO FILE #06-10).

SUMMARY OF RECOMMENDATIONS:

It is recommended that the Commission adopt the resolution (Exhibit A):

1. Resolving that LAFCO, as a Responsible Agency under the California Environmental Quality Act, has reviewed and considered the information contained in the Environmental Impact Reports prepared for the Greenfield General Plan and the South End Sphere of Influence Amendment project and certified by the Greenfield City Council on May 31, 2005 and August 8, 2006, respectively, and
2. Resolving that modifications in the size of the proposed Sphere of Influence expansion and the application of certain conditions of approval are needed in order to allow the Commission to approve the City's proposal in part based upon a Statement of Overriding Considerations and to bring the proposal into conformance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCO of Monterey County policies, and the City of Greenfield General Plan, and

3. Resolving that in order to ensure compliance with State law, LAFCO policies, and the City of Greenfield General Plan, LAFCO shall make determinations and partially approve a comprehensive amendment to the Greenfield Sphere of Influence to increase it by approximately 834 acres to a total of 2231¹ acres as shown on the map attached to the Resolution² in Exhibit A, with the following conditions:
- a. Prior to the annexation of any property within the City's Sphere of Influence, the City shall enter into a Memorandum of Understanding (MOU) with LAFCO mitigating the conversion of agricultural land to urban uses. Without limitation, except as provided under State law, the mitigation contained in the MOU could include the requirement of acquisition and transfer of ownership of agricultural land, or conservation easements, or the payment of in-lieu fees to an agricultural conservation entity to compensate for the loss of agricultural land;
 - b. In accord with the April 9, 2003 Memorandum of Understanding³ (MOU) entered into between the City and LAFCO regarding an agricultural buffer for a specific reorganization, and the City of Greenfield's General Plan Program 2.6.D, the City shall enter into a Memorandum of Understanding (MOU) with LAFCO specifying the size and time duration of adequate buffers on all other areas where urban uses are planned adjacent to agricultural uses. This MOU shall be in place prior to the approval of any annexation within the expanded Sphere of Influence. Consideration shall be made in this MOU for both permanent and temporary buffers between urban and agricultural uses.
 - c. All future annexations to the City shall mitigate regional traffic impacts by monetary contribution to a regional transportation improvement fund as established by the Transportation Agency of Monterey County or otherwise as required by LAFCO and City policies;
 - d. All future annexations to the City shall demonstrate that subsequent urban development within these annexations include a planned well-ordered, efficient urban development pattern with mixed uses and mixed densities as required by LAFCO policies and the City of Greenfield General Plan;
 - e. All future annexations to the City shall demonstrate that adequate public facilities and services will be provided as required by LAFCO policies and the Greenfield General Plan; and
 - f. In accordance with LAFCO policies, areas within the approved Sphere of Influence that are designated with a "Reserve" overlay in the City of Greenfield General Plan shall be designated as "Urban Transition Areas," defined as areas not programmed for urban facilities or utility extensions within the next five years. Areas within the proposed Sphere of Influence that are not being approved in this action shall be designated as "Future Study Areas." Please see map in Exhibit A.1.

¹ The total of 2,231 acres includes an estimated 1,126 acres within the existing City limits.

² This recommended Sphere of Influence is a reduction in the size of the proposed Sphere of Influence. The areas recommended to be excluded from the proposed SOI are the area east of Highway 101 between Pine Avenue and Thorne Road and the area east of Third Street that is north of Walnut Avenue.

³ This MOU was entered into pursuant to a requirement of LAFCO Resolution 02-08 for the "Gianolini Reorganization" (LAFCO File No. 02-03).

EXECUTIVE OFFICER’S REPORT:

LAFCO AUTHORITY

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (hereafter “Cortese-Knox-Hertzberg”), the Formation Commission has the power to “review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission” [Government Code Section 56375(a)]. The Commission is prohibited from imposing any condition that would directly regulate “land use density or intensity, property development, or subdivision requirements” [Government Code Section 56375].

Cortese-Knox-Hertzberg declares that the purposes of a Formation Commission include “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances” [Government Code Section 56301].

Chapter 4 of Part 2 of Cortese-Knox-Hertzberg outlines procedures for LAFCO’s review and approval of local agency “Spheres of Influence.” This chapter begins with Section 56425(a) of the Government Code which states the purposes and policies for reviewing Spheres of Influence:

“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”

The remainder of Government Code Chapter 4 outlines the requirements for City-County consultation, requires a review and update of each Sphere of Influence every five years, requires the preparation of municipal service reviews, and outlines specific requirements for properties with Farmland Security Zone and Williamson Act contracts. The chapter additionally requires that the Commission consider and make a written statement of determinations relating to four issue areas:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The Formation Commission of Monterey County has approved “Sphere of Influence Policies and Criteria.” The criteria contains various provisions that “LAFCO will designate a Sphere of

Influence for each local agency representing the agency's probable physical boundary within a zero to twenty year period." [Policy IV. 1, page 5] The policies also allow the Formation Commission the option of designating an "Urban Service Area" and an "Urban Transition Area" within the approved Sphere of Influence. An Urban Service Area is designed to include existing areas built to urban densities and vacant land capable of holding urban growth expected within the next five years. Urban Transition Areas are areas designed for growth within a period of approximately five to twenty years. LAFCO may also establish Future Study Areas outside the adopted Spheres of Influence. Future Study Areas indicate territory which may ultimately be appropriate for inclusion within an agency's Sphere of Influence upon future study or modified conditions.

OVERVIEW OF THE PROPOSAL AND RECOMMENDED ACTION

The City of Greenfield has submitted a proposal for a Sphere of Influence update that would more than double the geographic area of the City. The existing incorporated area is about 1,126 acres. Another 271 acres are outside of the City limits in the Sphere of Influence. The proposal would increase the Sphere of Influence outside of the existing City limits to approximately 1,410 acres, an increase which would allow the City to increase in size by 125%. The City's intention is to accommodate projected growth through the year 2025. The requested Sphere of Influence is shown on the attached Exhibit B.1 map.

It is important to acknowledge the City's efforts to plan for the future as contained in the recently adopted Greenfield General Plan and the Sphere of Influence update proposal. Of particular merit are the City's efforts to reverse the current jobs-housing imbalance by increasing local commercial and industrial opportunities, and the expressed intent to channel urban growth into the least productive agricultural lands. Also acknowledged is the City's cooperation in working with LAFCO. The Sphere of Influence proposal raises the following potential issues or conflicts with State law, LAFCO policies, and the goals and policies of the Greenfield General Plan:

1. The proposed Sphere of Influence, according to the City's EIRs, could accommodate a population of approximately 37,000 people. This is about 10,000 more than the Association of Monterey Bay Area Governments population projection of 27,183 for 2025. The City expects that the net population will be consistent with AMBAG projections, but LAFCO is nonetheless being requested to approve a Sphere which would exceed the regional population forecast.
2. Over ninety percent of the land to be urbanized is prime agricultural land, as defined by the Californian Department of Conservation (See Exhibit B.3). LAFCO policies require the preservation of prime agricultural land. The proposal does not contain adequate measures to comply with these requirements. The proposed Sphere of Influence also includes parcels restricted by Williamson Act and Farmland Security Zone contracts. State law requires LAFCO to make specific determinations or findings before including them in a Sphere of Influence.⁴ As outlined in this report, these findings are difficult to make on several of these parcels.

⁴ The location of these parcels is shown on Map B.5 in the attached exhibits.

3. State law requires LAFCO to “discourage urban sprawl”⁵ and local LAFCO policies require efficient development patterns and the preservation of agricultural lands. The proposal does not appear to comply with these requirements and policies. The Greenfield General Plan and Zoning Code development standards would allow the residential areas of the proposed Sphere of Influence to be constructed at significantly lower densities than the existing City. The new General Plan adds a new category for one-acre “Estate Homes” and includes no additional acreage for high density residential development. The “Medium Density” residential areas would allow densities as low as one unit per acre. The City also adds an “Artisan Agricultural and Visitor Serving Designation,” although no data is provided to demonstrate the economic viability of the concept as a means to meet its stated objective of preserving agriculture. This designation would allow production lands to be subdivided into minimum five acre parcels, with homes allowed as a primary use. Taken together, the City’s municipal growth standards would increase the land required for urban development and require excessive intrusion into prime agricultural lands.
4. Adequate buffers need to be placed between agricultural and urban uses, pursuant to LAFCO policies, policies in the Greenfield General Plan, and an April 9, 2003 MOU between the City and LAFCO. This need is addressed by a recommended condition of approval. The condition requires the City and LAFCO to negotiate a new MOU regarding agricultural buffers around the City. The MOU would be required prior to any annexations.
5. The proposal will impact the regional transportation system. Consistent with LAFCO policy and an adopted City resolution, the impacts will be mitigated prior to future annexations. This is addressed as a condition of approval.
6. Existing public facilities and services are not adequate for the future residents, commerce and industry of the City. The City appears to have the capacity to ensure that adequate facilities and services are in place prior to future annexations. Consistent with State law, LAFCO policies and City policies, the requirement to demonstrate adequate services must be in place prior to future annexations. This is addressed as a recommended condition of approval.
7. To encourage orderly development and phased urbanization the Sphere of Influence, and pursuant to LAFCO policies, a recommended condition of approval would designate parcels in the City’s “Reserve Overlay” as an “Urban Transition” area. Parcels recommended to be removed from the proposed Sphere would be designated as a “Future Study Area” to determine if they would be appropriate for future inclusion in the Sphere of Influence. See map in Exhibit A-1.

In light of the obligations to conform to State law, local LAFCO policies, and the City’s General Plan, it is the duty of the Executive Officer to recommend a partial approval, with conditions of approval, which would allow a smaller Sphere of Influence than proposed by the City. This modified Sphere of Influence would remove approximately 310 acres northeast of the existing City boundary. A map of these recommended boundaries is attached to the proposed resolution within Exhibit A.1. The conditions of approval would require a Memorandum of Understanding between the City and LAFCO regarding mitigations for the urbanization of agricultural lands and buffers between agricultural lands and urban uses. Conditions of approval would also require

⁵ Cortese-Knox-Hertzberg, Section 56301

future annexations to mitigate regional traffic impacts, foster efficient development, and contain adequate public facilities and services. It is also recommended that the Formation Commission approve specific “Urban Transition Areas” and “Future Study Areas.” These are shown in the Exhibit A.1 map.

As an alternative to these recommendations, the Formation Commission could take one of the following actions on January 8 or at a continued hearing date:

- Approve the proposal in whole or in part, with or without other modifications to the boundary and/or conditions; or
- Disapprove the proposal and request the City to resubmit a proposal consistent with State law, LAFCO policies, and the Greenfield General Plan.

These alternative actions may require the continuance of the proposal to a future Commission meeting. Staff would need sufficient time to draft the appropriate language and determinations for action by the Commission.

BACKGROUND OF THE PROPOSAL

The City initiated an update of the General Plan, which includes an updated Sphere of Influence, in 2002. On October 31, 2002 the City informally presented a preliminary Sphere of Influence boundary to the Commission (LAFCO File No. 02-09). This was reviewed by the Commission on January 27, 2003. At that time, then LAFCO Executive Officer West noted that the environmental review for this proposal was still underway and that LAFCO needed to complete a service plan and a timeline for the proposed sphere update. Individual Commissioners gave informal guidance to the City. A copy of the minutes of that meeting and a transcript of the discussion on the Proposed SOI Update is attached as Exhibit C to this report.

The General Plan and proposed Sphere of Influence were adopted by the Greenfield City Council on May 31, 2005.

In August 2005, the City again submitted a preliminary Sphere of Influence proposal for informal review (LAFCO File No. 05-09). The item was agenized for discussion by LAFCO on December 5, 2005. The City requested that the item be tabled after reviewing the Executive Officer’s Report prepared for that meeting. The Commission therefore did not have the opportunity to informally discuss the proposal with the City. The December 2005 report by the Executive Officer is attached as Exhibit D to this report. The report commented on:

- the large amount of prime farmland that was proposed for urbanization;
- the fact that the majority of this land was east of Highway 101 in the direction of the most prime farmland;
- the high proportion of the proposed SOI that would be utilized for residential estates and low density development;
- the need to mitigate the loss of farmland through land conservation easements, non-access buffers, or other measures;

- the low residential development density allowed in the Artisan Agricultural/Visitor Serving (AA/VS) designation (one residential unit per five acres);
- the adequacy of wastewater facilities;
- the adequacy of ground water to support the proposed growth;
- the impact of the proposed urbanization on highways and County roads; and
- the need for payment of regional traffic impact fees.

In late 2005 and early 2006, City staff met with the LAFCO Executive Officer and individual LAFCO Commissioners to discuss issues raised in the December 2005 Executive Officer Report. On August 8, 2006 the City, in response to some of these comments and several land owner-initiated changes, adopted a Sphere of Influence modification and General Plan Amendment on the south side of the City (South End SOI Amendment Project). The changes contained in this modification were primarily responsive to comments on the quality and value of farmland near the City's southeastern corner.

On August 18, 2006 the City submitted the current proposal for an update of the City's Sphere of Influence. LAFCO sent a letter to the City on September 15 stating that the proposal was incomplete pending a State-mandated consultation process between the City and County. Section 56425(b) of the Government Code states that "at least 30 days prior to submitting an application to the commission ... to update an existing sphere of influence for a city ... representatives from the city shall meet with county representatives to discuss the proposed sphere, and its boundaries, and explore methods to reach agreement on the boundaries, development standards, and zoning" LAFCO arranged an initial meeting between the two parties in mid October.

On November 8, 2006 the Executive Officer and staff met with Greenfield officials at City Hall to outline LAFCO concerns with the proposed SOI Update. The concerns expressed were similar to those expressed in the Executive Officer's December 2005 report to the Formation Commission.

The Executive Officer hosted a second courtesy meeting with the City on December 8, 2006 to present the LAFCO evaluation and recommendations as outlined in this report. City staff expressed a concern that the recommended reduction of the Sphere of Influence would interfere with the ability to make needed circulation improvements along Walnut Avenue, 2nd Street, and Thorne Road. In particular, the City expressed a need to improve a connection along 2nd Street and Thorne Road to an existing freeway onramp at Thorne and Highway 101. Walnut Avenue is currently within the City limits so that the City is not precluded from improvements to that road.

Following the December 8 meeting, LAFCO staff confirmed the County's interest in working cooperatively with the City on any needed improvements along County roads, including any improvements needed along 2nd Street or Thorne Road⁶. It appears that circulation improvements of concern to the City can therefore occur without the proposed expansion of the Sphere of Influence in the area northeast of the existing City limits.

⁶ Conversation with Ron Lundquist, County Public Works Director, December 22, 2006.

On December 27, 2006 Greenfield City Manager Anna Vega wrote a letter stating that, as a follow-up to the City's meeting with LAFCO, the City Council had directed staff to amend the Zoning Ordinance, and the General Plan if needed, to ensure that residential uses in the Artisan Agricultural and Visitor Serving designation are not allowed as primary uses and that the minimum density in the Medium Density Residential designation is seven units per acre. On January 2, 2007 LAFCO received a copy of the specific wording of the proposed amendments to the city's Zoning Code and General Plan and was informed that these amendments would be presented to the City Planning Commission on January 8, 2007. A copy of the December 27 letter and the City staff-proposed amendments are included as Exhibit I to this report. These changes, if adopted by the City Council, would address some of the proposal's inconsistencies with State, LAFCO, and City policies. However, the changes would not alter the proposed recommendation of partial approval of the City's Sphere of Influence amendment because other substantial issues would remain of concern.

STATE-MANDATED CITY-COUNTY CONSULTATION

The City and County began consultation on the Sphere of Influence update at a meeting arranged by LAFCO on October 17, 2006. As a follow-up to this meeting the County Resource Management Agency sent an October 27, 2006 letter⁷ that included the following comments:

- The City should consider a more directional growth pattern to better protect agricultural land and prevent growth along the Highway 101 corridor;
- Agricultural buffers should be a condition of approval for developments that will be proposed in the expanded Sphere of Influence; developments adjacent to agricultural activities should have buffers with a minimum width of 200 feet;
- There needs to be a quantifying of the financial loss to the region from loss of agricultural land;
- There needs to be an appraisal of the alternatives to the loss of 1300 acres of prime agricultural land, or alternatively an examination of how the City will provide permanent protection of prime agricultural land elsewhere in the County;
- Specific concerns were expressed regarding impacts of the development on existing public works facilities and resources including Highway 101 and County roadways; and
- The City is encouraged to utilize the Transportation Agency for Monterey County (TAMC) Regional Impact Fee to mitigate the traffic impacts of future development proposals.

Anna Vega, Greenfield City Manager responded to the County's letter on October 31, 2006 and concluded that:

"Based upon the City's review of the County's comments on the SOI proposal, it is clear that the primary issues of the County include general direction of growth, agricultural land and buffering, and continued coordination toward implementing public service systems, particularly roadways. ... the City of Greenfield has either planned for, mitigated, or otherwise addressed these issues at the planning and policy level."

⁷ A copy of this letter is attached as Exhibit F.

On November 22, 2006 LAFCO received a letter from the John P. Huerta., Jr., Greenfield's Mayor, informing LAFCO that the mandatory 30-day consultation between the City and County had concluded without an agreement. With this formal notification LAFCO issued a Certificate of Filing deeming the proposal as complete on November 22, 2006.

The County Resource Management Agency responded to the City's October 31 letter on December 8, 2006. This letter stated that:

"the City's responses do not provide adequate assurance that the County's standards will be met in the SOI areas. The County needs assurances from the City that, as development occurs, the City imposes on these developments conditions that address impacts to County facilities and needs for improvements in the area, and that the County will have opportunities to review and comment on projects and improvements that affect County facilities."

The December 8, 2006 County letter concluded with a statement that the County was hopeful that a resolution to the Sphere of Influence boundary issues could be negotiated between the two jurisdictions.

DESCRIPTION OF PROPOSAL

The proposal consists of a comprehensive amendment to update the City's Sphere of Influence (SOI). The proposed SOI would be updated to include a total of approximately 1,410 acres of land outside of the incorporated boundaries of the City of Greenfield. This would be an increase of 1,139 acres. As shown in Exhibit B.1, the affected territory for the proposed SOI update includes an area of land north of the City limits, east of and adjacent to U.S. Highway 101; lands west of the City limits south of Thorne Road and east of 13th Street; an area southeast of the City limits, south of Elm Avenue to Espinoza Road, part way to Second Street and adjacent to and east of U.S. Highway 101; an area southwest of the City limits, south of Elm Avenue; and lands on both sides of 13th Street between Walnut Avenue and Elm Avenue. Existing land uses throughout all of these areas are agricultural in nature, primarily row crops and vineyards.

The City's intention is that this SOI update would allow the City to meet the Association of Monterey Bay Area Government (AMBAG) 2025 Greenfield population and employment projections. These projections call for the City to have a residential population of 27,183 and a work force of 5,976.

The following table shows the acreage within each General Plan land use designation and delineates them by the existing City limits, the existing Sphere of Influence and the proposed expansion of the Sphere of Influence. Analysis reveals that a large proportion of residential land will be reserved for low density and estate homes. No new areas are planned for high density housing. Over one-quarter of the proposed new Sphere of Influence would contain land designated for Artisan Agricultural and Visitor Serving uses. A map showing the location of the General Plan land use designations is included as Exhibit B.2 of this report.

**City of Greenfield
Proposed Future Land Use Acreage**

(Existing and Proposed SOI) Updated December 18, 2006

Land Use – Overlay	City Limits (Acres)	Existing SOI (Acres)	Proposed Expanded SOI (Acres)	Total (Acres)
Residential Estate	0.00		69.09	69.09
Residential Estate – Reserve	0.00		95.68	95.68
Low Density Residential	411.15		159.35	570.50
Low Density Residential – Reserve	0.00		42.13	42.13
Medium Density Residential	229.34	46.73 (Cornuts)	17.95	294.02
Medium Density Residential – Reserve	0.00		43.17	43.17
High Density Residential	20.10		0.00	20.10
Neighborhood Commercial Center	2.32		5.08	7.40
Downtown Commercial - Mixed Use	22.61		0.00	22.61
Downtown Commercial - Mixed Use - Gateway	10.86		0.00	10.86
Highway Commercial - Mixed Use	5.93		0.00	5.93
Highway Commercial - Mixed Use – Gateway	13.11		87.00	100.11
Highway Commercial -Regional Commercial Center Design	63.48	10.00 (Yopp)	80.01	153.49
Professional Office - Mixed Use	22.44		0.00	22.44
Artisan Agricultural and Visitor Serving	0.00		205.38	205.38
Artisan Agricultural and Visitor Serving - Gateway	0.00	113.39 (Yanks)	0.00	113.39
Artisan Agricultural and Visitor Serving - Reserve	0.00		107.77	107.77
Light Industrial	2.38	4.24 (Cornuts)	32.70	39.32
Light Industrial - Industrial Park	89.98		0.00	89.98
Heavy Industrial	0.00	100.00 (SE area)	107.30	207.30
Public Quasi Public	201.34		63.2	264.54
Recreation and Open Space	28.07		30.00	58.07
TOTAL	1,123.11	274.36	1,145.81	2,543.28

This Table is based on General Plan Table 2-5, Land Use Diagram Acreages (with Overlay Designations), adjusted for the South End GPA Project, City-Initiated GPA, and recent annexation activity since approval (CHISPA/Award Homes Annexation).

Acreages are approximate based on source of data.

The General Plan land use designations for the proposed Sphere of Influence include two new concepts which, from the City's perspective, are intended to mitigate the loss of agricultural lands or phase growth:

- 1) The “Artisan Agriculture/Visitor Serving” (AA/VS) designation. According to the Greenfield General Plan “the purpose of the Artisan Agriculture and /Visitor Serving designation is to allow small-scale agricultural activities such as vineyards, orchards,

artisan crops (such as herbs, specialty lettuces, and flowers, etc.); while simultaneously accommodating visitor-serving uses” [General Plan, page 2-18]. The City’s proposal to LAFCO also states that the AA/VS designation “serves to protect agriculture.” [Proposal page 6] This designation is applied to 426.54 acres in the proposed Sphere of Influence, which is approximately 30% of the entire SOI acreage.

- 2) The “Reserve” Overlay. The General Plan states that “the areas with the reserve overlay should not be developed until almost all non-reserve land with the same land use designation has been developed.” [General Plan, page 2-3] More specifically General Plan Program 2.6.C states that “land designated on the Land Use Map as “Residential Reserve” and in agricultural production shall not be converted to residential uses until the following findings are made: 1) that the development of the land will contribute to the establishment of a stable urban limit, and 2) that 80% of the land designated in the City for residential uses has been developed or has been approved for such development. 258.75 acres, or approximately 18% of the acreage in the proposed Sphere of Influence, is within a “Reserve” overlay; almost half of the Reserve overlay acreage is within the Artisan Agriculture/Visitor-Serving base land use designation.

SPHERE OF INFLUENCE UPDATE ISSUES

This section of the Executive Officer’s report reviews the primary issues relating to the City’s proposal. The issues are evaluated in light of the requirements of State law, adopted LAFCO policies, and the requirements of the Greenfield General Plan.

The first issue is consistency with regional population forecasts. The second issue pertains to the amount, quality and location of farmland impacted by the proposal, the preferred direction of growth, agricultural preserves within the proposed Sphere, farmland losses and mitigations. The third issue is efficient development patterns. The fourth issue is agricultural buffers. The fifth issue is regional traffic impacts. The sixth issue is public services and facilities, and the final issue is phasing of development.

Based on the obligatory evaluation of these issues, the Executive Officer must recommend reducing the area of the proposed Sphere of Influence and a series of conditions to protect farmland, mitigate for farmland losses and regional transportation impacts, provide for agricultural buffers, and provide for efficient urban development patterns, adequate public facilities and services, and phasing of development.

The statutory and policy provisions referenced in these sections are quoted in full as exhibits to the recommended resolution included within Exhibit A of this report:

- Exhibit A.2: Selected sections from the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;
- Exhibit A.3: Standards for the Evaluation of Proposals (LAFCO of Monterey County, Revised December 1992);
- Exhibit A.4: Sphere of Influence Policies and Criteria (LAFCO of Monterey County, Revised April 2003);

- Exhibit A.5: Agricultural Lands Preservation Policy (LAFCO of Monterey County, Adopted November 27, 1979);
- Exhibit A.6: Transportation and Efficient Urban Development Policies approved by LAFCO of Monterey County on September 25, 2006;
- Exhibit A.7: Selected sections from the City of Greenfield General Plan (adopted May 31, 2005); and
- Exhibit A.8: Resolution 2006-82, approved by the Greenfield City Council, August 15, 2006

I. CONSISTENCY WITH REGIONAL POPULATION FORECASTS

Relevant statutory and policy provisions relating to this issue are as follows:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:
 - *“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”* [Purpose and policies, Section 56425.(a)]
- Standards for the Evaluation of Proposals
(LAFCO of Monterey County, Revised December 1992):
 - *“Each proposal should be consistent with the appropriate city or county general plan...”* [page 5]
- Sphere of Influence Policies and Criteria
(LAFCO of Monterey County, Revised April 2003):
 - *“LAFCO intends that its sphere of influence determination will serve as a master plan for the future organization of local government within the County. The spheres shall be used to discourage urban sprawl; ... encourage efficiency, economy and orderly changes in local government; promote compact, community centered urban development; and minimize adverse impacts on lands classified as prime agriculture.”* [page 4]
 - *“LAFCO will designate a sphere of influence for each local agency representing the agency's probable physical boundary within a zero to twenty year period.”* [page 5]
 - *“LAFCO shall consider the following factors in determining or amending an agency's sphere of influence:*
 - a. Present and future need for agency services and the service levels specified for the subject area in applicable general plans, growth management plans, annexation policies, resource management plans, and any other plans or policies related to an agency's ultimate boundary and service area. ...*

- e. Present and projected population growth, population densities, land uses, land area, ownership patterns, assessed valuations, and proximity to other populated area....” [page 6]*
 - *“Territory not in need of urban services, including ... agriculture ... shall not be assigned to an agency's sphere of influence unless the area's exclusion would impede the planned, orderly and efficient development of an area.” [page 7]*
- City of Greenfield General Plan (Adopted by the City Council on May 31, 2005):
 - *“Promote compact city growth and phased extension of urban services to discourage sprawl and encourage development that improves agriculture and vital public services.” [Policy 2.6.1]*

The Formation Commission has approved a policy, as outlined above, that a Sphere of Influence of a local agency should not exceed a 20-year horizon. The City states that with its expanded SOI, the City will be able to reach the Association of Monterey Bay Area Governments (AMBAG) 2025 estimated population of 27,183. The environmental impact report for the Greenfield General Plan, however, estimates a population of 36,000, if all proposed land uses build out to maximum density. This population figure does not include the 1,134 people anticipated to be added in the South End SOI expansion. The total estimated build-out of the proposed Sphere of Influence is therefore approximately 37,134. The City states that this discrepancy is due to the City’s experience that “the ‘net’ development yield of a given project is typically lower once developable acreage is needed for roads, schools, parks, public facilities and easements.”

This discrepancy indicates that the proposed Sphere of Influence may be larger than is necessary to meet the AMBAG projections and that the partial approval of the Sphere of Influence request may enable the City to grow as projected in the regional forecasts.

II. AGRICULTURAL LAND

Relevant statutory and policy provisions relating to this issue are as follows:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:
 - *“In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following: (1) The present and planned land uses in the area, including agricultural and open-space lands. ...” [Section 56425. (e)]*
 - *“The commission shall not approve or conditionally approve a change to the sphere of influence of a local government agency of territory that is subject to a farmland security zone contract pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Part 1 of Division 1, if that local government agency provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents*

to the change to the sphere of influence.” [Sphere of influence farmland security zones; Section 56426]

- *“(a) The commission shall not approve a change to the sphere of influence of a local government agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1) if that local government agency provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.
(b) Notwithstanding subdivision (a), the commission may nevertheless approve a change for that territory if it finds either of the following:
(1) That the change would facilitate planned, orderly, and efficient patterns of land use or provision of services, and the public interest in the change substantially outweighs the public interest in the current continuation of the contract beyond its current expiration date.
(2) That the change is not likely to adversely affect the continuation of the contract beyond its current expiration date.
In making this determination, the commission shall consider all of the following:
(A) The policies and implementation measures adopted by the city or county that would administer the contract both before and after any ultimate annexation, relative to the continuation of agriculture or other uses allowable under the contract.
(B) The infrastructure plans of the annexing agency.
(C) Other factors that the commission deems relevant.
(c) This section shall not apply to any of the following:
(1) Territory that is subject to a contract for which a notice of nonrenewal has been served pursuant to Section 51245.
(2) Territory that is subject to a contract for which a tentative cancellation has been approved pursuant to Section 51282.
(3) Territory for which the governing body of the county or city administering the contract has given its written approval to the change and the landowner consents to the change.” [Change to sphere of influence land subject to Williamson Act; Section 56426.5]*

- Standards for the Evaluation of Proposals

(LAFCO of Monterey County, Revised December 1992):

- *“Each proposal should be consistent with the appropriate city or county general plan...” [page 5]*
- *“The Commission discourages proposals which will facilitate development that is not in the public interest due to ... premature intrusion of urban-type developments into a predominantly agricultural area...” [page 7]*
- *“...maintain the physical and economic integrity of land in an agricultural preserve as may be established ...” [page 8]*
- *“... guide the provision of governmental services and development to areas other than those classified as prime agricultural land ... except where such*

development would promote the planned, orderly, and efficient development of that area.” [page 8]

- *“Boundary Changes proposals which would allow or likely lead to the conversion of prime agricultural land or other open space land to other than open space uses shall be discouraged by the Commission unless such an action would promote the planned, orderly, efficient development of an area, or the affected land use planning jurisdiction has accomplished the following:*
 - a. Identified within its sphere of influence all "prime agricultural land" as defined under Government Code Section 56064.*
 - b. Demonstrated to LAFCO that effective measures have been adopted to preserve for agricultural use prime agricultural land identified in (a). Such measures may include, but not be limited to, establishing agricultural preserves pursuant to the California Land Conservation Act; designating land for agricultural or other open space uses on that jurisdiction's general plan, adopted growth management plan, or applicable specific plan; adopting an agricultural element to its general plan; and undertaking public acquisition of prime agricultural land for the purpose of leasing back such land for agricultural use.*
 - c. Prezoned pursuant to Government Code Section 56375 (a) (2), both territory within the agency's general planning area to be maintained for agricultural use and also territory within the annexation area to indicate anticipated level of development.” [pages 8-9]*
- *“In reviewing a proposal which will lead to the conversion of agricultural or open space land to urban uses, the Commission will consider the following criteria to determine whether the proposed action would (a) adversely affect the agricultural resources of the community, or (b) not promote the planned, orderly, efficient development of an area:*
 - a. The agricultural significance of the proposal area relative to other agricultural land in the region (soil, climate, and water factors).*
 - b. The use value of the proposal area and surrounding parcels.*
 - c. Determination as to whether any of the proposal area is designated for agricultural preservation by adopted local plans, including Local Coastal Plans, the County General Plan, Land Use and Open Space Element, and Growth Management Policies.*
 - d. Determination of:*
 - (1) Whether public facilities would be extended through or adjacent to any other agricultural land to provide services to the development anticipated on the proposal property.*
 - (2) Whether the proposal area is adjacent to or surrounded by existing urban or residential development.*
 - (3) Whether surrounding parcels may be expected to develop to urban uses within the next five years.*
 - (4) Whether natural or man-made barriers would serve to buffer the proposal area from existing urban uses.” [page 9]*

- Sphere of Influence Policies and Criteria
(LAFCO of Monterey County, Revised April 2003):
 - *“LAFCO intends that its sphere of influence determination will serve as a master plan for the future organization of local government within the County. The spheres shall be used to discourage urban sprawl; ... encourage efficiency, economy and orderly changes in local government; promote compact, community centered urban development; and minimize adverse impacts on lands classified as prime agriculture.”* [page 4]
 - *“This Commission, in recognition of the mandated requirements for considering impacts on open space lands and agricultural lands, will develop and determine spheres of influence for Cities and urban service districts in such a manner as to promote the long-term preservation and protection of this County's "Resources." The Commission believes the public interest will be best served by considering "Resources" in a broad sense to include open space, recreational opportunities, wildlife, and agricultural land.”* [page 5]
 - *“LAFCO shall consider the following factors in determining or amending an agency's sphere of influence:*
 - c. The existence of agricultural preserves, agricultural lands and open space lands in the area and the effect that inclusion within a sphere of influence shall have on the physical and economic integrity of maintaining the land in non-urban use. ...*
 - *“Territory not in need of urban services, including ... agriculture ... shall not be assigned to an agency's sphere of influence unless the area's exclusion would impede the planned, orderly and efficient development of an area.”* [page 7]
- Agricultural Lands Preservation Policy
(LAFCO of Monterey County, Adopted November 27, 1979):
 - *“The Commission shall discourage proposals that intrude on prime agricultural land when such intrusion would lead to the disruption of viable agricultural units and the encouragement of further urban development on such lands.”* [Policy 5]
 - *“The Commission shall encourage proposals for land uses adjacent to prime agricultural land which would result in compatible uses, [such as] green belts, greenhouses, linear parks, light industry). Similarly, the Commission shall discourage proposals which would result in less compatible uses (e.g., residential and retail commercial uses).”* [Policy 7]
- City of Greenfield General Plan (Adopted by the City Council on May 31, 2005):
 - *“Promote compact city growth and phased extension of urban services to discourage sprawl and encourage development that improves agriculture and vital public services.”* [Policy 2.6.1]
 - *“Preserve agricultural land and open space around the city to inhibit sprawl and maintain the rural community character of Greenfield.”* [Policy 2.6.2]
 - *“Allow agriculture to continue as a viable use of land that reflects the community's origins while minimizing conflicts between agricultural and urban uses.”* [Goal 7.1]

1. The Amount and Quality of Farmland and the Preferred Direction of Growth. The proposed SOI will remove almost 1400 acres of farmland categorized as prime by the California Department of Conservation (CDC).⁸ While there are a variety of prime soils surrounding the City, the Greenfield General Plan, the best of these prime soils are generally concentrated to the east and north of the City.⁹ Acknowledging the importance of agricultural lands to the east, the City has approved a program in the General Plan to “establish a permanent 200-foot agricultural buffer along the west side of 2nd Street” (General Plan Program 2.6.D). A later section of this report discusses agricultural buffers in more detail.

The CDC’s “Farmland Mapping and Monitoring Program” is frequently used to define “Important Farmlands” throughout the state. Important farmlands are broken down into the categories of Prime Farmland, Farmland of Statewide Importance, Unique Farmland, and Farmland of Local Importance. Prime Farmland is the farmland with the best combination of physical and chemical features able to sustain long term agricultural production. This land has the soil quality, growing season, and moisture supply needed to produce sustained high yields. Land must have been used for irrigated agricultural production at some time during the four years prior to the mapping date.

Data from the 2002 CDC map is shown within Exhibit B.3. The CDC uses data from a survey produced by the U.S. Department of Agriculture’s Natural Resources Conservation Service, formerly known as the Soil Conservation Service, as the basis of the important farmland classifications. While the CDC has selected 47 specific Monterey County soil types as prime, the NRCS breaks down soil classifications into “capability classes” which are designated by Roman numerals I through VIII indicating progressively greater limitations for practical uses. All of the soils within the proposed SOI are categorized as either Class II or Class III soil, all of which are categorized as “prime” by the CDC. A map showing the proposed SOI and the breakdown of Class II and Class III soils is attached as Exhibit B.4. As shown on this map, the majority of Class II soils within the proposed Sphere of Influence are located in the area to the northeast of the existing City boundaries.

The Cortese-Knox-Hertzberg Act contains strong mandates for LAFCOs to preserve agricultural land, particularly prime agricultural land¹⁰, and to specifically consider the present and planned

⁸ The location of prime farmland in the Greenfield area is shown in a map attached as Exhibit B.3.

⁹ Greenfield General Plan, page 7-23, and conversations with Brian Rianda, the Managing Director of the Monterey County Agricultural and Historic Land Conservancy.

¹⁰ Section 56064 of the Cortese-Knox-Hertzberg Act contains a specific definition of “prime agricultural land” which is slightly different than that used by the California Department of Conservation. Due to the protections afforded all agricultural land in state law, LAFCO policies, and the Greenfield General Plan, and the fact that the vast majority of the farmland surrounding Greenfield is considered “prime” by both the CDC and LAFCO definition, a specific delineation of prime agricultural land meeting the Cortese-Knox-Hertzberg definition has not been undertaken. This delineation would normally be accomplished in the proposal’s environmental review. The Cortese-Knox-Hertzberg definition is:

56064. "Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

(a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

(b) Land that qualifies for rating 80 through 100 Storie Index Rating.

agricultural uses of land prior to the approval of an amendment to a Sphere of Influence. The Formation Commission has approved policies to implement this State mandate. A number of these state provisions and LAFCO policies are noted above. The law and policies obligate LAFCO to determine Spheres of Influence in a manner that promotes the long-term preservation of resources, including agricultural land. As outlined above, the Greenfield General Plan also contains goals and policies designed to protect agriculture in the community.

2. Williamson Act and Farmland Security Zone Contract Lands. Eight Williamson Act parcels are located in the proposed SOI. Four of these have filed for non-renewal and have 18 years remaining on their contracts. Two of the remaining four parcels which have not filed for non-renewal are in the “reserve” overlay area in the northeastern portion of the expanded SOI (Assessor’s Parcel Numbers 109-071-004 and 109-081-003). The other two are in the far western area (APNs 109-281-012 and -013). These parcels are shown on a map attached as Exhibit B.5.

In order to approve the inclusion of a Williamson Act parcel, for which the owner has not requested non-renewal, into a municipal Sphere of Influence, State law requires LAFCO to make one of several State-mandated findings. These are that the “change would facilitate planned, orderly, and efficient patterns of land use or provision of services, and the public interest in the change substantially outweighs the public interest in the current continuation of the contract beyond its current expiration date” or that “the change is not likely to adversely affect the continuation of the contract beyond its current expiration date.”¹¹

The requirements are particularly stringent as they relate to the two Williamson Act parcels in the northeastern area of the proposed Sphere of Influence. (See map in Exhibit B.5). The residential use planned within this area does not represent an efficient pattern of land use due to its low density. Most of the land in this area is designated as Artisan Agricultural and Visitor Serving. No data has been provided to demonstrate the economic viability of this concept as a mechanism for agricultural protection. Also, the designation allows residential development at a density of one unit per five acres. The next largest land use designation in this area is low density residential which allows between one to seven dwelling units per acre. It is difficult to document that conversion of the two Williamson Act parcels in the northeastern area to urban uses is in the public interest.

The two Williamson Act parcels in the northeastern portion of the proposed SOI are located on Class II prime farmland and are located in the direction of what the City acknowledges to be the best farmland. These two parcels are designated in the Greenfield General Plan as Low Density

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.

(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.

¹¹ Government Code Section 56426.5. (b)

Residential with a “Reserve” Overlay. Low density development requires the conversion of a large amount of farmland for each dwelling. The Reserve Overlay signifies that the City does not plan for this land to be immediately available for urban development. The inclusion of these parcels in the City’s SOI will adversely affect the continuation of the contract beyond its current expiration date. The inclusion of these parcels within the Sphere of Influence would indicate that they are planned for urban development within the next twenty years which is prior to the contract’s twenty year expiration date.

In order to comply with State law and locally adopted policies, staff recommends that these two Williamson Act parcels in the northeastern area, APNs 109-071-004 and 109-081-003, not be included within the City’s Sphere of Influence and that the Sphere of Influence boundary be reduced so as not to create an island of unincorporated land. The location of these parcels can be seen in Exhibit B.5.

The westernmost two Williamson Act parcels¹² where the owners have not required contract cancellation are in the preferred direction of growth and are designated in the Greenfield General Plan for medium density residential development. A finding may more easily be supported that this is an efficient pattern of land use which is in the public interest. Staff recommends the inclusion of these parcels within the City’s Sphere of Influence.

In addition, two parcels are subject to a Farmland Security Zone contract in the northeastern portion of the proposed SOI. These are APNs 109-143-002 and -003 and their locations are shown within a map attached as Exhibit B.5. Both of these parcels have filed for non-renewal and have 18 years remaining on their contract. According to State law, the Formation Commission “shall not approve or conditionally approve a change to the sphere of influence of a local government agency of territory that is subject to a farmland security zone contract ... if that local government agency provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.” [Government Code Section 56426]

The City would be responsible for the development and maintenance of roads in the area surrounding these two parcels. Although agricultural operations require roads for access the inclusion of these parcels within the Sphere of Influence would not improve needed agricultural access but would be intended for an intensification of development. These parcels are shown on the Greenfield General Plan land use diagram as Artisan Agriculture/Visitor Serving.” It is therefore recommended that these two parcels, APNs 109-143-002 and -003, be excluded from the proposed SOI.

3. Farmland Losses. The City’s environmental documents state that the impact on agricultural resources is significant and unavoidable and no specific mitigation is required for a Sphere of Influence update. In the Greenfield General Plan, the City states that the City’s compact urban form and the proposed Artisan Agriculture/ Visitor Serving land use designation act as a form of self-mitigation by limiting impacts to agricultural land. In order to ensure

¹² Assessors Parcel Numbers 109-281-012 and -013 as shown in Exhibit D.5.

compliance with LAFCO's policy requirements, additional measures are recommended to reduce the impact on agricultural lands.

It is acknowledged that the City's existing urban form is compact. However, the residential growth proposed in the expanded SOI is significantly less dense than the existing City. This low density development appears in conflict with the City's policy to "promote compact city growth ... to discourage sprawl and encourage development that improves agriculture and vital public services" (Policy 2.6.1). The lowering of density significantly increases the land needed for the future urbanized area and increases the required conversion of farmland. This issue is discussed in more detail in the following section on Efficient Urban Development Patterns.

The City has not adequately demonstrated that the new designation of "Artisan Agriculture/Visitor Serving" will protect agricultural lands. This designation may result in five-acre residential estates and the zoning code allows single family residences without a requirement for agricultural or visitor-serving uses. This zoning code was approved as an implementation of the General Plan. Greenfield General Plan policies relating to the Artisan Agriculture/Visitor Serving designation and Chapter 17.28 of the City's new Zoning Code, for the "AA/VS" Zoning District, are included as Exhibit J.

Development standards in the AA/VS designation may hinder agricultural preservation. The minimum parcel size would be reduced from the current 40-acre County minimum to a five-acre minimum. No data has been provided to demonstrate the economic feasibility of converting production crop lands to artisan agriculture uses, or the economic feasibility of artisan agriculture as a method to preserve agriculture. Also, the City's development standards limit site coverage (buildings, paving, etc.) to 5% of the lot area, and it is unclear how a winery or other agricultural use can be viable with such limitations.

4. Mitigation for Loss of Agricultural Land. The issue of mitigating for the loss of agricultural land relates to the determination LAFCO is required to make according to State law regarding "the present and planned land uses in the area, including agricultural and open-space lands." It is based on the statutory mission of LAFCO to preserve agriculture and in local Commission policies. Mitigation is required to reach compliance with the agricultural land preservation goals and policies of Cortese-Knox-Hertzberg, LAFCO of Monterey County policies, and the goals and policies of the Greenfield General Plan.

During the 2006 consultation process with the City, the County of Monterey asked the City to look at alternatives to the urbanization of this large area of prime farmland or alternatively to explore the development of a program to provide the permanent protection of agricultural land elsewhere in the County.

A compensatory program was applied by the County in the land use approval of the Yanks Air Museum development. LAFCO approved an expansion of the Greenfield Sphere of Influence in 2000 after finding that while 111.29 acres would be removed from agricultural production and Williamson Act restrictions, the remaining 306 acres on the site would remain in a Williamson Act contract and the property owner had entered into a new 414 acre Williamson Act contract in the Soledad area.

LAFCO applied agricultural preservation mitigation requirements in the 2002 Meyer and Mills Ranch Reorganization in King City. In this precedent LAFCO approved a Sphere of Influence Update and Annexation of approximately 216 acres. Conversion of agricultural land to urban uses was accompanied by a permanent agricultural easement over 361 adjacent acres of the remaining property that will neither be developed nor be in the City. This compensation was assured through a condition of LAFCO's approval of the annexation.

The Resource Management Agency of the County of Monterey questioned the adequacy of the City's efforts to protect farmland in letters dated October 27 and December 8, 2006 and asked for a fiscal analysis on the urbanization of important farmland. In the December letter, Acting Planning & Building Services Manager Bob Schubert quoted the following draft policy that was being considered by the Board of Supervisors on January 3, 2006¹³:

"The County shall prepare, adopt and implement a program that requires projects involving a change of land use designation resulting in the loss of Important Farmland (as mapped by the California Department of Conservation Farmland Mapping and Monitoring Program) to mitigate the loss of that acreage. The program may include ratios, payment of fees, or some other mechanism. Until such time as the program has been established, projects shall mitigate the loss of Important Farmland on an individual basis as feasible as determined by the Agricultural Commissioner. A Community Plan or Rural Center Plan that includes a mitigation program shall not be subject to this policy."
[Policy AG-1.12 in the draft Monterey County General Plan Update]

The Monterey County Agricultural and Historical Land Conservancy suggests that prime farmland should be mitigated on a 3 to 1 basis, with three acres of like kind property should be conserved for each acre taken. This position has been stated in a December 28, 2006 e-mail from Brian Rianda, Managing Director, and an earlier August 22, 2006 letter to the Monterey County Planning Commission. These communications are included within Exhibit L.

The utilization of an MOU, rather than the direct LAFCO imposition of specific mitigation requirements, is recommended in order to allow mitigation specifics to be jointly developed by LAFCO and the City. This mitigation could include the requirement of acquisition and transfer of ownership of agricultural land, or conservation easements, or the payment of in-lieu fees to an agricultural conservation entity to compensate for the loss of agricultural land. It would be executed prior to LAFCO's approval of an annexation to the City. There is precedent for this condition: the 2003 approval of the "Gianolini Reorganization" (LAFCO File No. 02-03)¹⁴ imposed a similar condition on a Greenfield annexation proposal, although it related strictly to agricultural buffers.

Conclusion. State law, LAFCO policies, and the City General Plan require a reduction of the proposed Sphere of Influence because of the quality of the area's farmland. It is recommended that this reduction occur in the northeastern portion of the proposed Sphere of Influence for three

¹³ Although the Board of Supervisors did not approve this specific wording at their January 3 public hearing they did require consultation between the Cities and the County over what would be appropriate mitigation.

¹⁴ The "Gianolini" MOU is discussed in additional detail later in this report.

reasons: 1) According to federal soil mapping the largest area of the highest quality, Class II, soil is located in the proposed Sphere, 2) This area also contains two parcels restricted by Farmland Security Act contracts and two additional parcels restricted by active Williamson Act contracts, and 3) This area is on the eastern side of the City, in the direction of the best farmland in the area.

The restraints of state and locally-adopted policies also mandate that the conversion of farmland within the City's Sphere of Influence be mitigated to ensure the continued preservation of productive farmland.

III. EFFICIENT URBAN DEVELOPMENT PATTERNS

Relevant statutory and policy provisions relating to this issue are as follows:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:
 - *"Among the purposes of a commission are discouraging urban sprawl..."* [Purpose of the Commission, Section 56301]
 - *"In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere."* [Purpose and policies, Section 56425.(a)]
- Standards for the Evaluation of Proposals
(LAFCO of Monterey County, Revised December 1992):
 - *"It is the policy of this Commission to encourage and to seek to provide for planned, well-ordered, efficient urban development patterns while at the same time remaining cognizant of the need to give appropriate consideration to the preservation of open space land within such patterns."* [page 8]
- Sphere of Influence Policies and Criteria
(LAFCO of Monterey County, Revised April 2003):
 - *"LAFCO intends that its sphere of influence determination will serve as a master plan for the future organization of local government within the County. The spheres shall be used to discourage urban sprawl; ... encourage efficiency, economy and orderly changes in local government; promote compact, community centered urban development...."* [page 4]
 - *"LAFCO shall consider the following factors in determining or amending an agency's sphere of influence:*
 - e. Present and projected population growth, population densities, land uses, land area, ownership patterns, assessed valuations, and proximity to other populated area...."* [page 6]

- Efficient Urban Development Policy approved by LAFCO of Monterey County on September 25, 2006:
 - *“For annexations and Spheres of Influence applications, LAFCO of Monterey County shall consider as part of its decision whether the city in which the annexation or Sphere of Influence amendment is proposed has included certain goals, policies, and objectives into its General Plan that encourage mixed uses, mixed densities, and development patterns that will result in increased efficiency of land use, and that encourage and provide planned, well-ordered, efficient urban development patterns.”*
- City of Greenfield General Plan (Adopted by the City Council on May 31, 2005):
 - *“Ensure that redevelopment and new development is designed, sited, and constructed in a manner that creates a balanced and desirable city, maintains and enhances the character and best qualities of the community, and ensures that Greenfield remains economically viable.”* [Goal 2.1]
 - *“Encourage higher density residential development at locations within walking distance of the downtown area, commercial areas and shopping opportunities, and bus routes.”* [Policy 2.2.3]
 - *“Promote compact city growth and phased extension of urban services to discourage sprawl and encourage development that improves agriculture and vital public services.”* [Policy 2.6.1]
 - *“Improve the community’s physical appearance through creative planning, redevelopment and design of new development areas.”* [Goal 2.8]
 - *“Require future development to employ planning principles (including but not limited to Traditional Neighborhood Design and New Urbanist design) that enhance community character in project design such as, but not limited to, creating distinct neighborhoods with schools, parks, and commercial services within walking distance, promoting bicycling and walking by creating pedestrian and bicycle friendly streets and trails, and minimizing vehicle trips.”* [Program 2.8.A]

The Formation Commission has approved a policy requiring efficient development patterns based on the State law that requires the Commission to discourage urban sprawl, preserve open space and prime agricultural lands, effectively provide government services, and encourage the orderly formation of local agencies.¹⁵

Greenfield’s General Plan contains a number of goals, policies, and programs that do address these issues. However, the City’s plans for the expanded Sphere of Influence appear to be inconsistent with those goals, policies, and objectives. The development pattern in the proposed Sphere of Influence is significantly less efficient and less dense than the existing City. The Sphere would include areas for “estate homes” with a density of one to two homes per acre, includes no additional areas for high density residential, a medium density area that could be developed at one unit per acre, and adds a new “Artisan Agriculture/Visitor Serving” (AA/VS) designation that would allow one unit per five acres.

¹⁵ Government Code Section 56301

This low density development pattern appears in conflict with the City's policy to "promote compact city growth and phased extension of urban services to discourage sprawl and encourage development that improves agriculture and vital public services" (Policy 2.6.1). The existing City has a maximum residential density of 10.5 dwellings per residentially zoned acre. The expanded sphere of influence contains a mix of residential densities that would yield a maximum density of 6.2 dwellings per residentially zoned acre. The City General Plan and Zoning Code would allow significantly fewer residences in the proposed Sphere of Influence than these maximums would indicate. The residential estate, low, and medium densities would allow a maximum of two, seven, and fifteen dwellings per acre, with a minimum density of one unit per acre.

The City proposal does not demonstrate how the new designation of "Artisan Agriculture/Visitor Serving" would protect agricultural uses. The designation would allow one residential unit for every five acres without the requirement that this residence be connected to an agricultural or visitor serving use. If this designation were to be considered as effectively a residential designation, the maximum overall density in residential areas in the expanded SOI would drop to 3.7 dwellings per acre.

This form of development requires the urbanization of significantly more prime farmland than would be required by a more efficient urban pattern. This development pattern also makes it difficult to ensure the efficient provision of public services. This practical impact was commented on by Mary Archer, Planner, for Monterey-Salinas Transit. In her letter to LAFCO dated September 6, 2006 she stated that:

"In accordance with the Greenfield General Plan, MST would like to take this opportunity to note that it will be difficult to achieve efficient and affordable operation of public transit vehicles in an area that is planned to be primarily low density residential. ... there will be zero High Density Residential, zero Downtown Commercial (Mixed Use, Mixed Use Gateway), Highway Commercial (Mixed Use, Mixed Use Gateway) planned for the Future Growth Area. This type of land use zoning is not conducive to smart transit planning simply because of public transit service increases with the distance required to serve patrons."

The issue of efficient urban development patterns is at the core of the determinations LAFCO is required to make according to State law regarding: "The present and planned land uses in the area, including agricultural and open-space lands, the present and probable need for public facilities and services in the area" and "the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide."

A proposed condition of approval will ensure that future annexations to the City include a planned well-ordered, efficient urban development pattern with mixed uses and mixed densities as required by LAFCO policies and the City of Greenfield General Plan.

IV. AGRICULTURAL BUFFERS

Relevant statutory and policy provisions relating to this issue are as follows:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:
 - *“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”* [Purpose and policies, Section 56425.(a)]
 - *“In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following: (1) The present and planned land uses in the area, including agricultural and open-space lands. ...”* [Section 56425. (e)]
- Standards for the Evaluation of Proposals
(LAFCO of Monterey County, Revised December 1992):
 - *“In reviewing a proposal which will lead to the conversion of agricultural or open space land to urban uses, the Commission will consider the following criteria to determine whether the proposed action would (a) adversely affect the agricultural resources of the community, or (b) not promote the planned, orderly, efficient development of an area*
d. Determination of: ...
(4) Whether natural or man-made barriers would serve to buffer the proposal area from existing urban uses.” [page 9]
- Agricultural Lands Preservation Policy
(LAFCO of Monterey County, Adopted November 27, 1979):
 - *“The Commission shall discourage proposals that intrude on prime agricultural land when such intrusion would lead to the disruption of viable agricultural units and the encouragement of further urban development on such lands.”* [Policy 5]
 - *“The Commission shall encourage proposals for land uses adjacent to prime agricultural land which would result in compatible uses, [such as] green belts, greenhouses, linear parks, light industry). Similarly, the Commission shall discourage proposals which would result in less compatible uses (e.g., residential and retail commercial uses).”* [Policy 7]
- City of Greenfield General Plan (Adopted by the City Council on May 31, 2005):
 - *“Require agricultural buffers on developments adjacent to agricultural land consistent with the Local Agency Formation Commission’s (LAFCO) requirements.”* [Policy 2.1.7]
 - *“Where differing land uses abut one another, promote land use compatibility with buffering techniques such as landscaping, setbacks, screening and, where necessary, construction of sound walls.”* [Policy 2.1.12]

- *“Establish a permanent 200-foot agricultural buffer along the west side of 2nd Street throughout the Planning Area for all future development.”* [Program 2.6.D]
- *“Incorporate parks, open space, and trails between urban and agricultural uses to provide buffering and transition between uses.”* [Policy 7.1.4]

The imposition of buffers between urban and agricultural uses is an important tool to ensure the continued viability of agriculture in the County. To allow an adequate separation of urban and agricultural uses, and consistency with LAFCO policies outlined above, the Formation Commission has required appropriate buffers as a condition of approval of proposed Spheres of Influence and annexations. Where this buffer is to delineate a permanent boundary between urban and agricultural uses the buffer usually is a minimum of 200 feet in width and includes non-access provisions barring the extension of public services.

In order to comply with terms and conditions included within LAFCO Resolution 02-08 for the “Gianolini Reorganization” (LAFCO File No. 02-03) the City of Greenfield and LAFCO entered into a April 9, 2003 Memorandum of Understanding. This MOU, which is attached to this report as Exhibit K, acknowledges that agricultural buffers surrounding the City will be addressed in the next update of the City’s Sphere of Influence and specifically requires the recording of a minimum 200 foot wide buffer within and at the edge of an updated Sphere of Interest in the area identified as “Future Study Area¹⁶.” The MOU required this buffer to be granted to the Monterey County Agricultural and Historical Land Conservancy and the County of Monterey in perpetuity, and included a non-access provision.

While the proposal for the SOI update is not specific regarding the City’s plans for buffers, the Greenfield General Plan includes a number of policies and programs relating to buffers between agricultural uses and urban uses as outlined above. In fact, the City’s General Plan requires buffers on developments adjacent to agricultural land consistent with LAFCO’s requirement.

The issue of buffers between urban and agricultural uses relates to the determination LAFCO is required to make according to State law regarding “the present and planned land uses in the area, including agricultural and open-space lands.” Mitigation is required to reach compliance with the goals and policies of Cortese-Knox-Hertzberg, LAFCO of Monterey County policies, and the goals and policies of the Greenfield General Plan. Compliance is also required in accord with the April 9, 2003 Memorandum of Understanding¹⁷ (MOU) entered into between the City and LAFCO.

A recommended condition of approval would require the City to enter into a new Memorandum of Understanding with LAFCO specifying the size and time duration of adequate buffers on all

¹⁶ The future study area referred to in this MOU, as shown in Exhibit K, includes Assessors Parcel Numbers 221-011-008 and -010.

¹⁷ This MOU was entered into pursuant to a requirement of LAFCO Resolution 02-08 for the “Gianolini Reorganization” (LAFCO File No. 02-03). The document requires a 200 foot buffer within the future study area referred to in this MOU, as shown in Exhibit B.5. This area includes Assessors Parcel Numbers 221-011-008 and -010.

areas where urban uses are planned adjacent to agricultural uses. The MOU will be negotiated prior to any annexations.

V. REGIONAL TRANSPORTATION NEEDS

Relevant statutory and policy provisions relating to this issue are as follows:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:
 - *“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”* [Purpose and policies, Section 56425.(a)]
 - *“In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following: ... (2) The present and probable need for public facilities and services in the area. (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. ...”* [Section 56425. (e)]
- Standards for the Evaluation of Proposals
(LAFCO of Monterey County, Revised December 1992):
 - *“Applications must indicate that the affected agencies have the capability to provide service. Territory shall be annexed to a city or special district only if such agency has or soon will have the capability to provide service.”* [page 6]
- Sphere of Influence Policies and Criteria
(LAFCO of Monterey County, Revised April 2003):
 - *“LAFCO intends that its sphere of influence determination will serve as a master plan for the future organization of local government within the County. The spheres shall be used to discourage urban sprawl; ... encourage efficiency, economy and orderly changes in local government; promote compact, community centered urban development ...”* [page 4]
- Transportation Policy approved by LAFCO of Monterey County on September 25, 2006:
 - *“For annexations and Spheres of Influence applications, LAFCO of Monterey County shall consider as part of its decision whether the proposal mitigates its regional traffic impacts by, for example, monetary contribution to a regional transportation improvement fund as established by the Transportation Agency of Monterey County or otherwise.”*
- Resolution 2006-82, approved by the Greenfield City Council, August 15, 2006:

- *“... the City Council of the City of Greenfield adopts Notice of Intent to establish a regional development impact fee in the City of Greenfield and to condition all new development projects with payment of the regional fee on a project-by-project basis pending approval of the fee and the Joint Powers Agreement.”*

The Greenfield City Council has approved a resolution stating their intent to establish a regional development impact fee pending approval of the fee by the Transportation Agency of Monterey County and the approval of a Joint Powers Agreement. A copy of this resolution, Resolution 2006-82, is attached to the proposed resolution as Exhibit A.8 of this report.

State law requires the Commission to effectively provide government services and encourage the orderly formation of local agencies.¹⁸ The fulfillment of regional transportation needs directly relates to the determinations LAFCO is required to make according to State law regarding need for and capacity of public facilities and services which is outlined above.

The purpose of a regional transportation improvement fund is to ensure the provision of an adequate infrastructure for County residents. The fee mechanism provides a way for proposed urban growth to directly pay for the traffic that it will create and to comply with established LAFCO policies. It directly relates to the determination LAFCO is required to make according to State law regarding the need for and capacity of public facilities and services. Mitigation is required to reach compliance with the goals and policies of Cortese-Knox-Hertzberg, LAFCO of Monterey County policies, and the goals and policies of the Greenfield General Plan, and City Council Resolution 2006-82.

A recommended condition of approval will require future annexations to the City to mitigate regional traffic impacts by monetary contribution to a regional transportation improvement fund as established by the Transportation Agency of Monterey County or otherwise as required by LAFCO and City policies.

VI. PUBLIC FACILITIES AND SERVICES

Relevant statutory and policy provisions relating to this issue are as follows:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:
 - *“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”* [Purpose and policies, Section 56425.(a)]
 - *“In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following: ... (2) The present and probable need for public facilities*

¹⁸ Government Code Section 56301

and services in the area. (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. ...” [Section 56425. (e)]

- Standards for the Evaluation of Proposals
(LAFCO of Monterey County, Revised December 1992):
 - *“Applications must indicate that the affected agencies have the capability to provide service. Territory shall be annexed to a city or special district only if such agency has or soon will have the capability to provide service.” [page 6]*
- Sphere of Influence Policies and Criteria
(LAFCO of Monterey County, Revised April 2003):
 - *“LAFCO shall consider the following factors in determining or amending an agency's sphere of influence: ...*
 - d. Present and future cost and adequacy of services anticipated to be extended within the sphere of influence.*
 - e. The agency's capital improvement or other plans that delineate planned facility expansions and the timing of that expansion...” [page 6]*
- City of Greenfield General Plan (Adopted by the City Council on May 31, 2005):
 - *“Provide for future growth and development as depicted in the Land Use Element by attaining public facility and traffic levels of service necessary to protect the public health, safety, and welfare.” [Goal 4.1]*
 - *“Ensure responsive and sufficient funding mechanisms for the future development and improvement of public facilities that serve the City of Greenfield.” [Goal 4.2]*
 - *“Plan for safe, efficient, and cost-effective removal of waste from residences, businesses, and industry.” [Goal 4.9]*
 - *“Assure that potable water supplies are available in quantities sufficient to serve the community and to develop supplies and facilities to meet future water needs.” [Goal 4.10]*
 - *“Maintain adequate sewer collection, treatment and disposal in a manner that meets the current and projected needs of the community.” [Goal 4.11]*
 - *“Protect persons and property from the damaging impacts of flooding.” [Goal 4.12]*

South/Central Salinas Valley Municipal Service Review. The Formation Commission approved the Municipal Services Review (MSR) for the South/Central Salinas Valley on July 24, 2006. This MSR describes Greenfield, and the other Salinas Valley cities, as preparing for substantial population growth. Population projections of the Association of Monterey Bay Area Governments (AMBAG) show the City increasing by 80% between 2005 and 2025 to 27,183. AMBAG employment projections increase more rapidly over this same twenty-year period from 1,883 jobs to 5,976, which is an increase of 217%.

According to the MSR, the City's infrastructure system has been developed to support the area within the Greenfield General Plan. Infrastructure expansion and improvements are guided by

the Water, Sewer, Traffic and Police Master Plans that are regularly updated to ensure the City is able to provide sufficient levels of service.

The City of Greenfield Public Works Department is responsible for water supply and delivery in the City of Greenfield. The City currently utilizes local groundwater as its sole source of water supply. The current total potable water demand in Greenfield is 4.7 acre-feet per day, or 1,716 acre-feet annually (AFA). The City currently has capacity to serve 18.34 acre-feet per day, which equates to a total annual capacity of 6,694 AFA. The water quality of the primary wells is good and currently meets all regulatory standards.

The current capacity of the City of Greenfield Wastewater Treatment Plant (WWTP) is 1.0 million gallons per day. The WWTP has reached and exceeded 90 percent of its capacity. The plant provides treatment and disposal of sanitary wastewater contributed by the residents of the City. With the existing facility operating at almost 90 percent of capacity, the City of Greenfield is in the process of implementing the 2005 Wastewater Treatment Plant Expansion, which would result in a doubling of capacity from 1.0 million gallons a day (MGD) to 2.0 MGD.

The MSR concludes that:

1. *The City is preparing for substantial population growth through its infrastructure master plans and updated General Plan. [and] ...*
4. *The City's current situation is one where an investment in public service needs is ongoing due to the increases in City population, and consequently, the demand for services. Facilities and staff are being expanded to adequately handle the additional population.*

County Comments. The County Public Works Department commented on its concerns with the Sphere of Influence update in the October 27, 2006 County Resource Management Agency letter:

- The Department is concerned about the impacts on the County's existing facilities and resources.
- Impacts to the roadway system must be identified and mitigation measures developed in consultation with TAMC, the County, and Caltrans.
- The County is interested in phasing of development and would like to be consulted.
- The County supports incorporating the extension of 3rd St. in the road network planning.
- The City needs to coordinate mitigation of US101/Espinosa Rd impacts with Caltrans and County.
- Impacts to County roads for the Southern Addition must be considered and addressed.
- There is an adopted County plan line for 12th Street from Elm Ave. to Cypress Ave. If the plan line is annexed into the City it will need to be taken into consideration.
- Mitigation measures should conform to regional planning documents.
- The City should use the TAMC regional traffic impact fee.
- The Department has no comments relating to County Service Areas.

In the October County letter (Exhibit F), and a subsequent December 8, 2006 letter (Exhibit H), the County Health Department and Water Resources Agency both expressed concerns about the existing adequacy of the wastewater treatment facility and emphasized the need for an upgrade to this system. The upgrading of this system is planned and was discussed in the MSR.

The issue of public facilities and services directly relates to the determinations LAFCO is required to make according to State law regarding “The present and probable need for public facilities and services in the area” and “the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.” The public works improvements noted by the County can be addressed at the annexation level, according to County Public Works Director Ron Lundquist. A recommended condition of approval will ensure that no annexations occur until the City has adequately addressed these issues.

VII. PHASING

Relevant statutory and policy provisions relating to this issue are as follows:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:
 - *“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.” [Purpose and policies, Section 56425.(a)]*
- Standards for the Evaluation of Proposals
(LAFCO of Monterey County, Revised December 1992):
 - *“Proposals involving changes of organization or reorganization affecting city boundaries shall comply with the Urban Service Area and Urban Transition Area designations. An Urban Service Area consists of existing developed and undeveloped land within an agency's sphere of influence, which is now served by existing urban facilities, utilities, and services or is proposed to be served within five years. An Urban Transition Area is an area within the sphere of influence boundaries of a city which is not programmed for urban facilities or utility extensions within the next five years. The Urban Transition Area will most likely be used for urban expansion within 5 to 20 years.” [page 5]*
- Sphere of Influence Policies and Criteria
(LAFCO of Monterey County Revised April 2003):
 - *“The Commission may establish urban transition areas within adopted spheres of influence to discourage premature pressure for development. Transition areas consist of the residual lands between designated urban service areas and the ultimate sphere of influence boundary. This land will most likely be used for urban expansion within approximately five (5) to twenty (20) years. Territory included within urban transition areas, but not within urban service areas, generally will not be considered eligible for annexation to receive urban services within five years.” [page 7]*

- *“LAFCO may establish future study areas outside of adopted spheres of influence. These areas indicate territory which may ultimately be appropriate for inclusion within an agency's sphere upon future study or modified conditions.”* [page 7]
- City of Greenfield General Plan (Adopted by the City Council on May 31, 2005):
 - *“Land designated on the Land Use Map as “Residential Reserve” and in agricultural production shall not be converted to residential uses until the following findings are made: 1) that the development of the land will contribute to the establishment of a stable urban limit, and 2) that 80% of the land designated in the City for residential uses has been developed or has been approved for such development.”* [Program 2.6.C]
 - *“Use ‘reserve’ designations on land adjacent to the Planning Area boundaries and require the development of the majority of nonreserve land in the same land use designation prior to development of ‘reserve’ areas.”* [“Overview of Major Land Use Issues” page 2-7]

The issue of phasing relates to the determinations LAFCO is required to make according to State law regarding “The present and probable need for public facilities and services in the area” and “the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.”

1. Urban Transition Areas. The City has not specifically requested that LAFCO approve phasing of its Sphere of Influence. However, the Greenfield General Plan does include a “reserve” overlay designation that would not be developed until the majority of the other land in the Sphere of Influence is developed. As shown on the Amended Land Use Diagram in Exhibit B.2, this overlay effects two areas: 1) the area between Thorne Road, 2nd Street, Walnut Avenue, and 3rd Street and 2) an area south of Elm Avenue near its intersection with 13th Street.

If the Formation Commission were to approve the inclusion of these areas within the Sphere of Influence¹⁹ it is recommended that LAFCO designate these areas as “Urban Transition Areas” in accord with LAFCO Policies allowing such a designation. Phasing of these areas, as determined by the City, would assist in the orderly growth of the urban area. The area recommended for this designation is shown in the map included within Exhibit A.1.

2. Future Study Areas. For areas recommended by staff to be excluded from the Sphere of Influence, staff recommends that those areas be designated as a “Future Study Area”. As defined in LAFCO policies, this is an area which may ultimately be appropriate for inclusion within an agency's sphere upon future study or modified conditions. Among the issues that would need to be addressed prior to including these areas within a future City Sphere of Influence are the continued existence of properties restricted through the Williamson Act and the Farmland Security Zone, and a further assessment of quality of farmland in this area and the continuing need for urban development. The area recommended for this designation is shown in the map included within Exhibit A.1.

¹⁹ It is recommended that the first area listed, which is in the northeastern portion of the proposed Sphere of Influence, be excluded from the SOI due to policy conflicts.

3. General Plan “Future Planning Areas.” The City has shown two “Future Planning Areas” in its General Plan, as shown in Exhibit B.2. One of these is located southeast of the City, (south of Elm Street, roughly between 2nd and 3rd Streets). The other one is located west of Highway 101 below the current proposed Sphere of Influence. The City has not requested that LAFCO approve these areas as “Future Study Areas” and it is not recommended that the Formation Commission do so at this time. However, as a preliminary comment it should be noted that both of these areas contain prime farmland that would need to be evaluated for compliance with LAFCO and Greenfield General Plan policies prior to inclusion within a “Future Study Area.” In particular, the area on the southeastern edge of the City contains almost all Class II farmland which is inappropriate for conversion to urban uses. The City is discouraged from anticipating future development in that area. Brian Rianda, Managing Director of the Monterey County Agricultural and Historical Land Conservancy, also expressed concern over these City-designated areas in his e-mails which are attached in Exhibit K.

Conclusion: The recommendations listed at the beginning of this report, and in the recommended resolution (Exhibit A) call for areas within the approved Sphere of Influence that are designated with a “Reserve” overlay in the City of Greenfield General Plan to be designated as “Urban Transition Areas,” defined as areas not programmed for urban facilities or utility extensions within the next five years. Areas within the proposed Sphere of Influence that are not being approved in this action are recommended to be designated as “Future Study Areas.” These areas are identified within Exhibit A.1.

ENVIRONMENTAL DETERMINATION

In compliance with the California Environmental Quality Act (CEQA), the Greenfield City Council certified and adopted the Final Environmental Impact Report (EIR) for the Greenfield General Plan on May 31, 2005. On August 8, 2006, the Council approved an amendment to this General Plan, the South End Sphere of Influence project, and a separate EIR for the South End Sphere of Influence project. The Sphere of Influence update currently being reviewed by LAFCO was included within the scope of these two documents.

Both the General Plan EIR and the South End Sphere of Influence EIR identified four significant and unavoidable impacts. These impacts included the alteration of scenic resources, the loss of important farmlands, air emissions, and regional biological resources. The City Council approved a statement of overriding considerations as required by State law prior to being able to approve the Plan and the request for a Sphere of Influence update. The City found that the significant and unavoidable impacts of the project were acceptable in light of long-term social, environmental, land-use and other considerations related to the provision of needed housing, the development of employment opportunities, the increase in City tax revenues, and the need to have land use decisions match the City’s vision of growth.

In reviewing the Sphere of Influence proposal, LAFCO has reviewed the environmental documents prepared by the City. Upon review of the City’s environmental documents, appropriate conditions or mitigations must be imposed on the City’s proposal for a Sphere of Influence amendment in

order to comply with: 1) Cortese-Knox-Hertzberg Act, 2) LAFCO of Monterey County policies, and 3) the City of Greenfield General Plan. This issue is discussed further in the “Issue and Recommendations” Section of the report in relation to conformance State law and locally adopted policies.

With the adoption of the recommendations in this report which partially approve the comprehensive Sphere of Influence update after modifying its size and applying conditions of approval, the proposal can be found consistent with State law, LAFCO policies, and the Greenfield General Plan. The Statement of Overriding Considerations, as required by the California Environmental Quality Act, can be made in recognition of:

- the need to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the Greenfield community, the County, and the State; and
- the need to provide governmental services and housing for persons and families of all income levels.

PUBLIC AGENCY REFERRALS AND PUBLIC NOTICING

LAFCO referred the proposal to public agencies for review and comment on August 24, 2006. The proposal was scheduled, and legally noticed for a public hearing in display ads in the Salinas Californian (December 18, 2006) and the Greenfield News and King City Rustler (December 20, 2006). Notice of the hearing was also posted on the LAFCO website and at the County Government Center and LAFCO office, sent to the local media, and mailed to all known interested agencies, organizations and individuals. Therefore, LAFCO has fully complied with all requirements and procedures for public agency referrals and public noticing.

AGENCY AND INTERESTED PARTY COMMENTS

Following is an outline of comments received in response to the proposal’s referral to affected public agencies and interested parties. The complete letters are attached at Exhibit L:

- a. Association of Monterey Bay Area Governments (Nicolas Papadakis)
 1. No Comment.
- b. Johnson & Moncrief (Christina Trujillo)
 1. The State Department of Conservation needs notification since the Department is an interested party in the South End as it relates to Williamson Act Exchange.
 2. Check acreage for Highway Commercial and heavy industrial, it may be low.
- c. Monterey Bay Unified Air Pollution Control District (Jean Getchell)
 1. The Air District appreciates the City’s stated interest in reviewing site plans when they are submitted.
- d. Monterey County Department of Health (Len Foster)
 1. The Department supports the planning process that will enable permitted capacity.
 2. Expansion should be permitted and secured by development impact fees or other fee programs early in the process.

3. Expansion of water and wastewater facilities should be constructed prior to issuing building permits.
- e. Monterey County Emergency Services Manager (Paul Ireland)
 1. No Comment.
 - f. Monterey County Resource Management Agency (Bob Schubert, for Planning and Public Works)²⁰
 - The SOI is concentric around the City which will remove a lot of prime agricultural land.
 - The City is urged to look at a more directional growth pattern that protects agriculture and prevents growth along the Highway 101 corridor.
 - Agricultural Commissioner –
 - The Commissioner notes that the City already has proposed policies for a 200 ft buffer in residential areas that adjoin agricultural operations.
 - Planning Department –
 - Agricultural buffers should be a condition of project approval and in developments proposed that are adjacent to agricultural activities; buffers should be a minimum of 200 feet.
 - The City should quantify the financial loss to the county/region from the loss of agricultural land.
 - The City should look at alternatives to the loss of 1300 acres of prime agricultural land or provide permanent protection of prime agricultural land elsewhere in the County.
 - Public Works Department -
 - The Department is concerned about the impacts on the County's existing facilities and resources.
 - Impacts to the roadway system must be identified and mitigation measures developed in consultation with TAMC, the County, and Caltrans.
 - The County is interested in phasing of development and would like to be consulted.
 - The County supports incorporating the extension of 3rd St. in the road network planning.
 - The City needs to coordinate mitigation of US101/Espinosa Rd impacts with Caltrans and County.
 - Impacts to County roads for the Southern Addition must be considered and addressed.
 - There is an adopted County plan line for 12th Street from Elm Ave. to Cypress Ave. If the plan line is annexed into the City it will need to be taken into consideration.
 - Mitigation measures should conform to regional planning documents.
 - The City should use the TAMC regional traffic impact fee.
 - The Department has no comments relating to County Service Areas.
 - Monterey County Parks
 - There is sufficient parkland planned.

²⁰ Comments from the Health Department and Office of Emergency Services which were repeated as a part of the RMA letter are discussed under these department's separate comment letters.

- g. Monterey County, Office of the Sheriff (David Crozier)
 - 1. No Comment.
- h. Monterey County Agricultural and Historical Land Conservancy, Inc.(Brian Rianda)
 - 1. The Sphere of Influence is appropriate.
 - 2. Future planning areas on the south side are a concern.
 - 3. The City should direct development to the foothills.
 - 4. The proposal is excessively large and each acre of prime farmland developed should be mitigated by the conservation of three acres of like farmland.
 - 5. Future planning should go to the west as good farmland would be lost going east.
- i. Monterey-Salinas Transit (Mary Archer)
 - 1. Difficult to achieve efficient and affordable transit to low density areas. The proposal shows no additional high density residential, no Downtown Commercial, and no Highway Commercial.
 - 2. Cost of transit services to this type of development is too costly for families with children, disabled, and older adults.
- j. Transportation Agency for Monterey County (Debra L. Hale)
 - 1. The City should collect TAMC regional traffic mitigation fee even if the City is contemplating a local fee program. TAMC fees would be discounted for any overlap with the City's program.
 - 2. TAMC recommends approval by LAFCO since the City will require new developments in the new SOI to pay a regional development impact fee to mitigate regional traffic impacts.

CONCLUSION

The Formation Commission's review and approval of a comprehensive Sphere of Influence for a City or District is an important step in setting the future of the City and the neighboring area. The recommendations included in this report will allow adequate space for the orderly residential, industrial, and commercial growth and development of the community while ensuring the protection of surrounding agricultural lands.

In light of the obligations to conform to State law, local LAFCO policies, and the City's General Plan, it is the duty of the Executive Officer to recommend a partial approval, with conditions of approval, which would allow a smaller Sphere of Influence than proposed by the City. This modified Sphere of Influence would remove approximately 310 acres northeast of the existing City boundary. This land is primarily designated by the City for Artisan Agricultural/Visitor Serving and low density residential uses. About two-thirds of this area is designated by the City with a "Reserve" overlay, indicating that proposed development is not imminent. A map of these recommended boundaries is attached to the proposed resolution within Exhibit A.1.

The recommended conditions of approval would require a Memorandum of Understanding between the City and LAFCO regarding mitigations to the urbanization of agricultural lands and buffers between agricultural lands and urban uses. Recommended conditions of approval would also require future annexations to mitigate regional traffic impacts, foster efficient development, and contain adequate public facilities and services. It is also recommended that the Formation

Commission approve specific “Urban Transition Areas” and “Future Study Areas.” These are shown in the Exhibit A.1 map.

In addition to these recommendations, the Formation Commission has the following options:

- Approve the proposal as requested, without a reduction in the size of the Sphere of Influence and with appropriate conditions of approval;
- Approve the proposal, with a different boundary and/or different conditions; or
- Disapprove the proposal and request the City to resubmit a proposal consistent with State law, LAFCO policies, and the Greenfield General Plan.

These alternatives may require the continuance of the proposal to a future Commission meeting to allow staff sufficient time to draft the appropriate language and determinations for consideration and action by the Commission.

Respectfully submitted,

Kate McKenna, AICP
Executive Officer

Attachments: Exhibit A – Draft Resolution

Exhibit A.1: Sphere of Influence Map

Exhibit A.2: Selected sections from the Cortese-Knox-Hertzberg
Local Government Reorganization Act of 2000

Exhibit A.3: Standards for the Evaluation of Proposals (LAFCO of
Monterey County, Revised December 1992)

Exhibit A.4: Sphere of Influence Policies and Criteria (LAFCO of
Monterey County, Revised April 2003)

Exhibit A.5: Agricultural Lands Preservation Policy (LAFCO of
Monterey County, Adopted November 27, 1979)

Exhibit A.6: Transportation and Efficient Urban Development
Policies approved by LAFCO of Monterey County on
September 25, 2006

Exhibit A.7: Selected sections from the City of Greenfield General
Plan (adopted May 31, 2005)

Exhibit A.8: Resolution 2006-82, approved by the Greenfield City
Council, August 15, 2006

Exhibit B – Maps:

B.1: Map showing existing City Limits and Proposed Sphere of
Influence

B.2: Amended Land Use Diagram (Reflecting City-sponsored GPA
and South End SOI Project)

B.3: Important Farmland

B.4: Soil Types in the Expanded Sphere of Influence

- B.5: Location of Williamson Act & Farmland Security Zone parcels
- Exhibit C – Portion of minutes from January 27, 2003 LAFCO Meeting, and transcript relating to Proposed SOI Update
 - Exhibit D – Executive Officer's Report on Preliminary Sphere of Influence Evaluation for the City of Greenfield (LAFCO File 05-10), December 5, 2005
 - Exhibit E – Memorandum from Anna Vega, Greenfield City Manager, December 14, 2005
 - Exhibit F – Letter from Bob Schubert, Monterey County Resource Management Agency, October 27, 2006
 - Exhibit G – Letter from Anna Vega, Greenfield City Manager, October 31, 2006
 - Exhibit H – Letter from Bob Schubert, Monterey County Resource Management Agency, December 8, 2006
 - Exhibit I – Letter from Anna Vega, Greenfield City Manager, December 27, 2006, and subsequent City staff-initiated proposed amendments to the General Plan and Zoning Code
 - Exhibit J – Greenfield General Plan policies relating to the Artisan Agriculture and Visitor Serving Land use Designation and Chapter 17.28 AA/VS Zoning District, Greenfield Zoning Code
 - Exhibit K – Memorandum of Understanding between LAFCO and the City of Greenfield, April 9, 2003
 - Exhibit L – Comment letters from Agencies and Private Parties
 - Exhibit M – City Proposal and Cover letter
 - Exhibit N – 2005-2025 General Plan, including Environmental Impact Report
 - Exhibit O – Environmental Impact Report for South End Sphere of Influence Project